Minutes of the Monetary Policy Meeting

December 18, 2025

Central Bank of the R.O.C. (Taiwan)

Meeting Minutes[1] on Monetary Policy at the Joint Meeting of the Board of Directors and the Board of Supervisors, Held on December 18, 2025

Date and Time: 2:00 p.m., December 18, 2025

Location: Room A606, Central Bank of the R.O.C. (Taiwan)

Members Present:

Chairman, Board of Directors: Chin-Long Yang

Executive Directors: Tsui-Yun Chuang, Tzung-Ta Yen, Mei-Lie Chu, Ray-Beam Dawn

Directors: Junne-Jih Chen, Shiu-Sheng Chen, Fu-Sheng Hung, Yi-Ting Li, Shi-Kuan Chen, Chien-Yi Chang, Ming-Chang Wu, Chang-Ching Lin, Ming-Fu Shaw

Ming-Hsin Kung, (Excused, Appointing Tzung-Ta Yen as Proxy)

Chairman, Board of Supervisors: Shu-Tzu Chen

Supervisors: Ching-Fan Chung, Sheng-Yao Lin, Kuei-Hui Cheng, Sheng-Syan Chen

Staff Present:

Feng-Ying Hsieh, Director General, Department of Banking

Yen-Dar Den, Director General, Department of Issuing

Chiung-Min Tsai, Director General, Department of Foreign Exchange

Yih-Jiuan Wu, Director General, Department of the Treasury

Ya-Hui Pan, Director General, Department of Financial Inspection

Ti-Jen Tsao, Director General, Department of Economic Research

Chien-Ching Liang, Director General, Secretariat

Shu-Huei Kuo, Director General, Department of Accounting

Shu-Hui Chang, Director, Personnel Office

Chia-Wen Hsieh, Director, Legal Affairs Office

Chih-Cheng Hu, Secretary, Board of Directors

Chih-Jung Lee, Secretary, Board of Supervisors

Presiding: Chin-Long Yang

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[1] This English translation is provided for information purposes only; the Chinese version shall prevail in case of discrepancies.

AGENDA: ECONOMIC AND FINANCIAL CONDITIONS AND MONETARY POLICY DECISION

I. Staff Review of Economic and Financial Conditions

1. International Economic and Financial Conditions

Since the Board of the Directors met in September 2025, investment demand driven by the boom of artificial intelligence has led to robust high-tech product export growth in Asia. The global manufacturing Purchasing Managers' Index (PMI) has stayed in expansion territory. Forecasts by international institutions pointed to global economic resilience next year (2026) despite a lower growth rate than this year (2025). Development in the AI sector, elevated U.S. tariffs and China's overcapacity concern would play important roles in affecting the global economic outlook.

As for international commodity prices, continued output increases by major oil-producing countries such as OPEC+ and prospects for a ceasefire between Russia and Ukraine kept oil prices subdued. International institutions forecasted that oil prices would remain lower than last year (2024) and continue to trend down next year. Although grain and industrial metal prices have risen recently, sharp declines in oil prices weighed on overall commodity prices, leading the R/J CRB Futures Price Index – which reflects overall international commodity prices – to fall compared with the end of September 2025.

Regarding the inflation outlook, an expected further increase in global crude oil supply next year is likely to weigh on oil prices. International institutions forecasted that global inflation, as well as inflation in most major economies, will be lower next year than this year.

Regarding monetary policy, major central banks have proceeded at different paces. The U.S. Federal Reserve (Fed) has delivered more rate cuts, the European Central Bank (ECB) has paused its rate-cutting cycle, the Bank of Japan (BoJ) has not yet resumed rate hikes, while the People's Bank of China (PBoC) has maintained an accommodative policy stance.

In international financial markets, U.S. Treasury yields fluctuated within a range. In China, deflationary risks remained, with government bond yields hovering at low levels. In Japan, as the economy emerged from deflation and was expected to be supported by large-scale fiscal stimulus measures, government bond yields trended higher, turning the China-Japan bond yield spread from positive to negative. In equity markets, increased investment across the AI industry supply chain and strong tech sector earnings pushed global equity prices to new record highs. Subsequently, however, concerns about overvaluations of AI-related stocks caused markets to fluctuate at elevated levels. Meanwhile, the U.S. dollar index rose earlier before moving down slightly.

Looking ahead, the global economic outlook is subject to multiple uncertainties, including: Immaturity of end-user AI applications, which continues to pose downside risks to the operations of related supply chains, the evolution of the U.S. tariff policies, divergent monetary policy paths among major central banks, overcapacity and competitive price-cutting in China, geopolitical risks, as well as extreme weather events. These uncertainties could all affect global economic, trade, and financial conditions.

2. Domestic Economic and Financial Conditions

(1) Economic situation

Recently, Taiwan’s manufacturing and services output has continued to expand. The leading indicators have kept rising, while the coincident indicators have edged down slightly, suggesting that domestic business conditions remain stable. In November, although both the Manufacturing PMI and the Non-Manufacturing Index (NMI) showed some improvement in the outlook for future business conditions, they still remained in contractionary territory.

Regarding the components of economic growth, on the external demand side, exports grew by 34.1% year on year during the January-November period. In particular, benefiting from factors such as innovative AI applications, exports of electronics and information and communication products remained robust. By contrast, exports of traditional industrial goods were weak, affected by soft oil prices, low-price competition from overseas peers, and sluggish external demand. Looking ahead, while demand for emerging technologies such as AI is expected to remain strong, the Bank projected that real export growth next year will be lower than this year owing to a higher base effect and the continued overcapacity in China’s traditional industries, though growth is expected to remain solid.

Regarding private investment, the semiconductor industry has continued to expand high-end capacity and R&D spending. In addition, both the government and the private sector are actively building out AI infrastructure. However, given the high comparison base in the recent year, the Bank forecasted mild growth in real private investment next year.

As for private consumption, sustained real wage growth this year and a scheduled minimum wage hike next year, combined with robust corporate profits, are expected to increase firms’ willingness to raise wages, award bonuses, and distribute dividends. These factors will contribute to household disposable income. Moreover, with the removal of import tariff factors that had dampened car market demand, the Bank forecasted a pickup in real private consumption growth next year.

With respect to the labor market, total employment continued to rise in October, and the unemployment rate declined further, reaching the lowest level for the same period in nearly 25 years. As of mid-December, the number of furloughed workers was slightly lower than at the end of September. For the January-October period, nominal regular earnings recorded the fastest growth for the same period in nearly 26 years, with stronger growth in manufacturing than in services owing to robust exports. Real wages also registered positive growth for the same period.

Overall, economic growth in the first three quarters of this year outperformed expectations, reaching 7.18% year on year. In light of this outperformance, as well as the expansion of AI applications, the Bank revised up its forecast for full-year growth to 7.31%, reflecting atypically robust growth, with net external demand contributing more than domestic demand. Moreover, economic conditions in the third and fourth quarters were significantly better than expected, mainly driven by a sharp rise in AI-related demand due to increased capital expenditures by U.S. cloud service providers (CSPs), alongside the postponement of the U.S. Section 232 investigation results. As a result, beginning in the second half of the year, major institutions have markedly revised up their forecasts for this year's economic growth rate.

Looking ahead to next year, growth momentum is expected to continue. The Bank forecasts Taiwan's economic growth rate at 3.67% next year, higher than the 2.68% projected in September, with domestic demand becoming the main driving force. The output gap is also projected to remain positive in both this year and next year. Major domestic and international institutions forecast Taiwan's economic growth rate to range between 5.94% and 7.40% for this year, and between 1.90% and 4.50% for next year.

(2) Financial conditions

In October this year, domestic liquidity conditions were broadly stable, with short-term interest rates holding steady. In November, however, factors such as typhoons and the government's universal cash handouts caused the short-term interest rates to fluctuate within a narrow range. For the September-November period, banks' net excess reserves averaged over NT$45 billion.

Regarding domestic monetary and credit conditions, growth in bank loans and investments has moderated for the September-November period this year, reflecting a sustained decline in the annual growth rate of housing loans and a decrease in bank claims on government enterprises and the government. For the first eleven months of the year, the average annual growth rate of bank loans and investments stood at 6.70%.

Regarding the money supply, the annual growth rate of the monetary aggregate M2 declined in October this year owing to net capital outflows and a higher base effect. In November, however, the rate picked up as the NT dollar depreciated and the government issued universal cash handouts. For the January-November period, the M2 growth rate averaged 4.50%, falling within the reference range of 2.5% to 6.5%.

Based on estimations from money demand function models and other relevant tools, the M2 growth rate was projected to remain within the 2.5% to 6.5% range next year. Considering that the domestic economy is expected to maintain steady growth and inflation is likely to stabilize, while taking into account the high degree of uncertainty in international political and financial conditions, the Bank decided to maintain the M2 growth reference range at 2.5% to 6.5%. The Bank will sufficiently accommodate private sector demand for funds to support economic growth.

Regarding the housing market, the Bank has continued to implement selective credit control measures. Recently, the number of building ownership transfers nationwide has declined further, and housing prices have edged down gradually from their peak but have remained at elevated levels. A significantly larger share of respondents expected housing prices to fall rather than rise. As of the end of November this year, housing loans to non-homeowner borrowers rose further to account for 63.6% of total house-purchasing loans, while loans for urban renewal and reconstruction of unsafe and dilapidated buildings also rose further to account for 24.2% of construction loans. Meanwhile, the annual growth rates of outstanding real estate loans, house-purchasing loans, and construction loans of all banks declined from recent highs to 3.79%, 4.81%, and 0.68%, respectively. The ratio of real estate lending to total lending of all banks (a measure of concentration of real estate lending) also declined gradually to 36.7%, suggesting that the concentration of banks' credit resources in real estate lending has gradually improved.

Over the past year, most banks have already met their self-set targets for internal management of real estate lending. In the third quarter of this year, the average real estate lending concentration of 34 domestic banks declined relative to the average of their self-set targets. A small number of banks failed to meet their targets, mainly because they prioritized housing loans to non-homeowner borrowers and loans for urban renewal and reconstruction of unsafe and dilapidated buildings, which is in line with government policy objectives.

(3) Price trends

In November this year, as the decline in vegetable prices widened and the price increase in entertainment services moderated, the annual growth rate of the consumer price index (CPI) and that of the core CPI (excluding vegetables, fruit, and energy) declined to 1.23% and 1.72%, respectively.

For the January-November period, the average annual growth rate of the CPI was 1.69%, mainly reflecting price increases in food items such as food away from home, fruit, and meat, as well as rent hikes and higher prices of personal effects. Together, these factors contributed 1.38 percentage points, or around 82%, to the overall CPI increase.

In November this year, price increases of frequently purchased items slowed, while those of key staple goods rose slightly. By category, services prices such as food away from home and rents continued to display downward rigidity. In November, the annual growth rate of services prices exceeded those of goods prices and the overall CPI.

Since the fourth quarter of this year, amid favorable domestic weather conditions and the implementation of commodity tax cuts and exemptions on selected commodities, the Bank slightly lowered its projections for the annual growth rates of the CPI and the core CPI this year to 1.66% and 1.65%, respectively. As this year saw no major unexpected shocks, inflation forecasts by the Bank and other major institutions have remained broadly unchanged.

Looking to next year, as international institutions expected oil prices to be lower than this year, and as the price-reducing effects of commodity tax cuts and exemptions continue, together with a further easing in services price inflation, the Bank projected that the annual growth rates of both the CPI and the core CPI next year will be 1.63%. Major domestic and foreign institutions projected this year’s CPI inflation to fall within a range of 1.60% to 1.90%, and between 1.00% and

1.70% next year.

3. Considerations for Monetary Policy

(1) The inflation rate is projected to remain below 2% next year.

A. For 2025: The annual growth rates of the CPI and the core CPI are forecasted to be 1.66% and 1.65%, respectively.

B. For 2026: The annual growth rates are expected to be 1.63% for both the CPI and the core CPI.

(2) The domestic economy is expected to post solid growth next year.

A. For 2025: As the economy outperformed expectations to grow by 7.18% year on year for the first three quarters of the year, the Bank significantly revised up its forecast for this year's economic growth rate to 7.31%.

B. For 2026: With sustained expansion in demand for emerging technology applications, an expected slowdown in global trade growth, moderate growth momentum for Taiwan's exports and private investment owing to a higher base effect, and a pickup in private consumption, the economy is expected to expand at a solid pace of 3.67% next year.

(3) It is important to prudently respond to uncertainties surrounding the global economic and financial outlook and the potential impact of U.S. economic and trade policies on Taiwan's economy.

II. Proposition and Decision about Monetary Policy

1. **Policy Propositions: To keep the discount rate, the rate on refinancing of secured loans, and the rate on temporary accommodations unchanged at 2%, 2.375%, and 4.25%, respectively.**

2. Board members reached a unanimous decision on the policy rate hold. Related discussions are summarized as follows.

(1) Discussions about the policy rates

All board directors, taking into account various factors at home and abroad, agreed to keep the policy rates unchanged. **Several of them** supported a rate hold decision, citing stable inflation that would remain below 2% next year, robust economic growth this year on the back of strong exports and investment, and a forecast of still solid growth next year thanks to sustained AI demand boom.

Several board directors noted the situation of uneven development between domestic AI-related industries and traditional ones. **One of them** pointed out that the emerging issue of uneven industrial development could pose challenges to broader economic resilience, which warrants attention. **Another board director** highlighted the importance to remain mindful of the fact that some traditional industries not only are confronted by U.S. tariffs but also face the headwinds of China's overcapacity and price-cutting. In addition, small- and medium-sized enterprises would require financing support in order to reconfigure their product lines or upgrade technologies for greater competitiveness; therefore, it is hoped that financial and economic authorities and the Bank can facilitate this transition.

One board director pointed that given the lingering uncertainties surrounding the economic and financial outlook, heightened volatility is likely to persist in the future. It is important to monitor market developments, such as shifts in yen interest rates, and the resultant impact on global liquidity conditions. Moreover, despite the low probability of an AI bubble, ongoing monitoring is warranted. **Another board director** expressed support for a rate hold, noting that while Taiwan is expected to witness steady inflation and solid economic growth next year, the outlook is still subject to heightened external risks that require vigilance.

Two board directors pointed to the effects of capital movements of foreign institutional investors (FINIs) on Taiwan's financial and forex markets. **One of them** noted that as the share prices of large-cap blue-chip stocks continue to rise, the market value of FINI holdings is set to increase further. Consequently, even a partial selloff by FINIs could intensify downward pressures on the NT dollar exchange rate. Therefore, the future trajectory of the NT dollar exchange rate will depend not only on the movement of the US dollar exchange rate but also on the activities of FINIs. **Another board director** stated that Taiwan's capital market has expanded rapidly for more than a year, characterized by rising stock market capitalization and significant growth in ETF assets. Coupled with the frequent foreign capital flows, these developments could exacerbate volatility in domestic financial and foreign exchange markets and thus warrant close attention.

One board director noted that, since the beginning of the year, the inflation rate for goods purchased at least once a month has remained higher than the headline CPI growth rate. Moreover, as leading indicators for core inflation have continued to rise from August onwards, it is essential to keep close watch on these price-related metrics. Furthermore, given that Taiwan's real interest rate has turned positive alongside the gradual decline in the CPI annual growth but remains relatively low, it is expected that inflation could trend further downward to allow the real interest rate to rise steadily. From a real economy perspective, the projection pointed to a low probability of a recession next year, a positive output gap, and a solid labor market, supporting the director's vote for a rate hold.

One board director stated that the Bank has upwardly revised its economic growth forecasts in every quarter of this year, primarily owing to robust export performance. During the first half of the year, it was initially assessed that a front-loading effect could have emerged in anticipation of reciprocal tariffs from the U.S.; however, subsequent observations confirmed that export momentum remained highly resilient throughout the second half of the year. **Another board director** pointed out that the results of the Taiwan-U.S. tariff negotiations have yet to be announced; with the U.S. comprising a substantial share of Taiwan's export demand, the U.S. tariffs could have profound implications for the domestic economy and policy paths. Therefore, this warrants cautious assessment of the associated impacts, which would also assist in forecasting next year's economic growth rate.

(2) Discussions regarding the selective credit control measures

Multiple board directors expressed the view that the selective credit control measures have yielded preliminary results, justifying the maintenance of the current approach. **One of them** approved of the Bank's rolling adjustments to the selective credit control measures, which have been implemented seven times in response to real estate market dynamics. At present, the concentration of real estate lending has declined, but it still exceeds the level recorded when the first round of credit controls was implemented. Furthermore, the housing price-to-income ratio and the housing debt-servicing ratio (DSR) remain elevated, indicating that the housing affordability for the public is still under significant strain. Consequently, continuous monitoring is warranted. **Another board director** also affirmed that the intended effects of the credit control measures are becoming increasingly evident, but expressed the view that controls should stay in place as housing prices remain elevated. Furthermore, beginning 2026, banks may manage the self-set quantitative targets of real estate lending at their own discretion; this approach should be able to reflect banks' respective features, thereby enhancing the precision of policy implementation.

One board director supported the approach of rolling adjustments to the Bank's selective credit controls, citing the fact that while the ratio of real estate lending to total lending has declined, it is still above the reasonable level.

One board director pointed out that the non-performing loan (NPL) ratio of real estate lending is lower than that of total lending, suggesting satisfactory risk management of banks for real estate lending. However, as the mortgage interest rates are rising, it is essential to understanding how this would affect homebuying affordability. In terms of the Preferential Youth Housing Loans 2.0, it is advisable to assess potential impacts on the program's borrowers once the preferential interest subsidies expire and the grace period ends. Moreover, the sensitivity of real estate transaction volumes to rising mortgage rates warrants further understanding. In addition, as speculative demand has receded, there is a need to further examine the factors influencing housing market supply in order to better gauge future house price trends.

Several board directors drew attention to the trajectory of the housing debt-servicing ratio (DSR). **One board director** noted that elevated housing prices have caused the domestic housing DSR to exceed the affordability threshold of 30%. As there is a correlation between the housing DSR and the delinquency rate of housing loans, it has direct implications for financial stability. **Another board director** contended that delinquency rates on real estate loans are very low. Relying solely on a borrower's income is insufficient to determine default risk, as many may receive financial assistance from their parents. Nevertheless, the housing DSR remains one of the indicators for default risk.

3. Monetary Policy Decision:

The board directors decided unanimously to keep the discount rate, the rate on refinancing of secured loans, and the rate on temporary accommodations unchanged at 2%, 2.375%, and 4.25%, respectively.

Voting for the proposition:

Chin-Long Yang	Tsui-Yun Chuang	Tzung-Ta Yen
Mei-Lie Chu	Ray-Beam Dawn	Junne-Jih Chen
Shiu-Sheng Chen	Fu-Sheng Hung	Yi-Ting Li
Shi-Kuan Chen	Chien-Yi Chang	Ming-Chang Wu
Chang-Ching Lin	Ming-Fu Shaw	
Ming-Hsin Kung (Excused, Appointing Tzung-Ta Yen as Proxy)		

III. The Press Release

The board directors approved unanimously to issue the following press release in the post-meeting press conference, together with the Supplementary Materials for the Post-Monetary Policy Meeting Press Conference prepared by the Bank.

Monetary Policy Decision of the Board Meeting (2025Q4)

I. Global economic and financial conditions

Since the Board met in September this year, with the development of artificial intelligence (AI) and other emerging technology applications, global manufacturing activity has continued to expand, and the global economy has experienced moderate growth. Meanwhile, the decline in international crude oil prices in recent months has pushed down global inflation further.

Major central banks have taken divergent monetary policy paths since September. The U.S. Federal Reserve has continued rate reductions, whereas the European Central Bank has held off on rate cuts. In the meantime, the Bank of Japan has yet to raise the policy rates, and the People's Bank of China has maintained an accommodative policy stance. Market expectations regarding the pace of monetary policy adjustments by major central banks, along with concerns about overvaluation in AI-related industries, have increased volatility in international financial markets.

Looking ahead, although major economies expand investment in emerging technologies and adopt expansionary fiscal policies, U.S. tariff measures may dampen global trade growth momentum. International institutions have therefore forecasted global economic growth to be slightly lower in 2026 than in 2025, with global inflation projected to continue easing. A string of factors such as the prospects for AI-related industries, the future course of U.S. economic and trade policies, slower growth momentum for China's economy, monetary policy actions of major central banks, as well as geopolitical conflicts and climate change, could increase uncertainties surrounding the global economic and financial outlook.

II. Domestic economic and financial conditions

1. The domestic economy performed better than expected in the first three quarters of the year, expanding by 7.18% over the same period a year ago. In recent months, as strong demand for AI and other emerging technology applications continued to provide a boost, exports rose significantly and private investment further increased. Private consumption growth also rebounded. For the year as a whole, the GDP growth rate was forecasted by the Bank to register 7.31% (see Appendix Table 1 for the forecasts by major institutions). Regarding labor market conditions in recent months, the number of employed persons increased, the unemployment rate dropped, and wage growth picked up mildly.

   Looking ahead to next year, against the background of persistent growth in demand for emerging technology applications and slower expansion in global trade as expected by international institutions, coupled with a higher base effect, Taiwan's exports and private investment were expected to experience moderate growth momentum. Meanwhile, private consumption would likely trend upwards. Overall, the GDP growth rate was projected by the Bank to remain solid at 3.67% next year.

2. For the period since September this year, the annual growth rate of the consumer price index (CPI) trended downwards, reflecting the exemption or reduction of commodity taxes for a number of goods as well as the gradual stabilization in food prices such as fruit and vegetables. For the first eleven months of the year, the annual growth rate of the CPI averaged 1.69% and that of the core CPI (excluding vegetables, fruit, and energy items) averaged 1.64%. The Bank forecasted the CPI and the core CPI annual growth rates to register

1.66% and 1.65%, respectively, in 2025 (see Appendix Table 2 for the forecasts by major institutions), lower than the 2.18% and 1.88% recorded in 2024.

Looking ahead to next year, global oil prices were projected by international institutions to run below the level of this year, the aforementioned price-cutting effect from the partial commodity tax exemption/reduction was expected to continue, and domestic services inflation would also likely to maintain a gradual downtrend. The Bank therefore forecasted the CPI and the core CPI annual growth rates to both register 1.63% next year. Key drivers for future domestic inflation trends include international commodity prices, domestic services prices, and weather factors.

3. Domestic market liquidity remained ample, and both long- and short-term market interest rates fluctuated within a narrow range in recent months. Excess reserves in the banking system averaged slightly above NT$45 billion in the period of September to November this year. For the first eleven months of the year, the average annual growth rate of the monetary aggregate M2 (measured on a daily average basis) was 4.50% and that of bank loans and investments was 6.70%.

III. The Board decided unanimously to keep the policy rates unchanged

At the meeting today, the Board considered the totality of information on the economic and financial conditions at home and abroad. The domestic inflation outlook was projected to be mild next year, with the inflation rate staying below 2%. The domestic economy was expected to post solid growth next year. Taking a prudent approach to the uncertainty surrounding the global economic and financial outlook and the potential influence of U.S. economic and trade policies on Taiwan's economy, the Board judged that a rate hold would help sustain sound economic and financial development on the whole.

The Board decided to keep the discount rate, the rate on refinancing of secured loans, and the rate on temporary accommodations unchanged at 2%, 2.375%, and 4.25%, respectively.

Going forward, the Bank will closely monitor the implications of uncertainty factors – including the development of AI-related industries, the impact of the U.S. economic and trade policies, the risk of China experiencing weaker growth momentum, the pace of monetary policy adjustments by major central banks, geopolitical conflicts, and extreme weather – for Taiwan's economic activity, financial conditions, and price trends. The Bank will adjust its monetary policy accordingly in a timely manner as warranted to fulfill the statutory duties of maintaining financial and price stability and fostering economic development within the scope of the aforementioned objectives.

IV. The Bank adopted moral suasion in mid-August 2024 by asking banks to enhance internal quantitative control goals of aggregate real estate lending volumes over the coming year (2024Q4 - 2025Q4). The Bank then made the seventh amendment to its selective credit control measures in September 2024.

Since the imposition of these policy measures, the loan brackets under the credit controls have witnessed lower loan-to-value (LTV) ratios; consumer expectations for housing price rises have eased, housing market transactions have continued to cool down, and the housing price uptrend has slowed. Meanwhile, housing loans granted by domestic banks to non-homeowners have continued to increase as a share of total housing loans. Loans for urban renewal and reconstruction of unsafe and dilapidated housing have also been rising as a share of construction loans. Overall, the ratio of real estate lending to total lending of all banks (a measure of concentration of real estate lending) has gradually come down from the peak of 37.61% recorded at the end of June 2024 to 36.70% as of the end of November this year. The annual growth rates of real estate loans, housing loans, and construction loans of all banks have also trended down, standing at 3.79%, 4.81%, and 0.68%, respectively, at the end of November this year.

Looking at the implementation outcome in the past year, most banks have achieved their self-set quantitative control goals of aggregate real estate lending volumes, and data have shown improvements in all of the aforementioned indicators related to real estate lending. In this view, starting next year, banks may carry out quantitative controls at their own discretion but are required to submit related data reports to the Bank on a monthly basis. Through these reports and by continuing with targeted financial examinations, the Bank will keep watch on the evolving situations of banks' real estate lending and urge banks to ensure compliance with the selective credit control measures. In doing so, the Bank hopes to channel credit resources continuously towards uses aligned with government initiatives such as those in support of non-homeowner mortgage borrowers, urban renewal and reconstruction of unsafe and dilapidated homes, and social housing projects, and towards accommodating the funding needs of productive enterprises for real investment.

Meanwhile, the Bank will continue to conduct rolling reviews of the effectiveness of the selective credit control measures, closely monitor potential impacts of real estate sector-related policies on the housing market, and adjust relevant measures as needed in order to promote financial stability and sound banking operations.

V. The NT dollar exchange rate is in principle determined by market forces. Nonetheless, when irregular factors (such as massive inflows/outflows of short-term capital) and seasonal factors lead to excess volatility or disorderly movements in the NT dollar exchange rate with adverse implications for economic and financial stability, the Bank, in compliance with its statutory duties, will step in to maintain an orderly market.

Appendix Table 1

Taiwan's Economic Growth Forecasts by Major Institutions

Unit: %

Forecast Institutions		2025 (f)	2026 (f)
Domestic Institutions	**CBC (2025/12/18)**	**7.31**	**3.67**
	NTU/Cathay (2025/12/15)	7.40	3.00
	DGBAS (2025/11/28)	7.37	3.54
	TIER (2025/11/6)	5.94	2.60
Foreign Institutions	Citi (2025/12/16)	6.10	2.70
	Goldman Sachs (2025/12/16)	7.19	3.08
	S&P Global Market Intelligence (2025/12/15)	6.83	2.74
	Barclays Capital (2025/12/12)	6.20	1.90
	BofA Merrill Lynch (2025/12/12)	7.00	4.50
	J.P. Morgan (2025/12/12)	7.20	4.50
	Morgan Stanley (2025/12/12)	6.60	4.00
	Nomura (2025/12/11)	7.10	4.40
Forecast Average		**6.85**	**3.39**

Appendix Table 2

Taiwan's Inflation Forecasts by Major Institutions

Unit: %

Forecast Institutions		2025 (f)	2026 (f)
Domestic Institutions	**CBC (2025/12/18)**	**1.66 (CPI)** **1.65 (Core CPI*)**	**1.63 (CPI)** **1.63 (Core CPI*)**
	NTU/Cathay (2025/12/15)	1.70	1.60
	DGBAS (2025/11/28)	1.67	1.61
	TIER (2025/11/6)	1.70	1.66
Foreign Institutions	Citi (2025/12/16)	1.70	1.70
	Goldman Sachs (2025/12/16)	1.60	1.00
	S&P Global Market Intelligence (2025/12/15)	1.66	1.52
	Barclays Capital (2025/12/12)	1.70	1.70
	BofA Merrill Lynch (2025/12/12)	1.60	1.30
	J.P. Morgan (2025/12/12)	1.70	1.60
	Morgan Stanley (2025/12/12)	1.90	1.70
	Nomura (2025/12/11)	1.70	1.60
Forecast Average		**1.69**	**1.55**

* Excluding vegetables, fruit, and energy.